claims. Sure enough, claims for the air bag models rose "significantly." (Interestingly, however, claims dropped for models that were "upsized.")

The authors then looked at data on the 207 fatal car crashes in Virginia during 1993 that involved late-model cars. "Of the 62 crashes involving cars equipped with air bags, 53 were . . . initiated by the driver of the air-bag equipped car." That's strong evidence, the authors say, that the reassuring presence of air bags promotes hot-dogging on the road.

It gets worse. There were 33 crashes in which the driver was the sole fatality, and 16 of these drivers were protected by an air bag. This is further evidence, the authors say, that protection offered by the air bags is offset by a new recklessness.

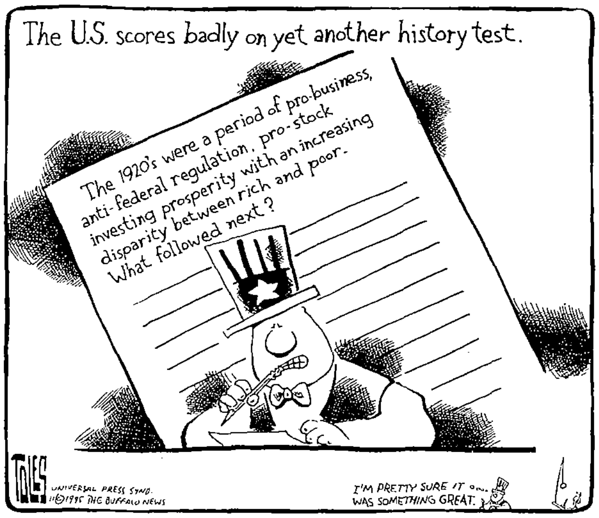
Even worse, drivers protected by air bags seem to be a danger to passengers. There were 13 single-car crashes in which a passenger was killed but the driver was not. In nine of these, the driver had an air bag.

The authors leave readers to draw their own conclusions. (It's important to note that traffic fatalities have been declining for decades.) One obvious possibility is that cars ought to be equipped with air bags for everybody but the driver.

Supply-Side Stories

"Federal Personal Income Tax Policy in the 1920s" by Gene Smiley and Richard H. Keehn, in *The Journal of Economic History* (June 1995), 302 Thayer St., Box 1981, Brown Univ., Providence, R.I. 02912; "Tax Projections and the Budget: Lessons from the 1980s" by Alan J. Auerbach, "Behavioral Responses to Tax Rates: Evidence from the Tax Reform Act of 1986" by Martin Feldstein, and "Income Creation or Income Shifting? Behavioral Responses to the Tax Reform Act of 1986" by Joel Slemrod, in *American Economic Review* (May 1995), American Economic Assn., 2014 Broadway, Ste. 305, Nashville, Tenn. 37203.

In the recent history of the "dismal science," few theories have received a worse press than supply-side economics. Yet more than a decade after Ronald Reagan made it a household term, economists hotly debate the doctrine's validity. While the crude tax-cuts-pay-for-themselves version finds little support, there seems to be a growing sense that conventional economics has missed some important points about taxation.



Supply-side economics even gets blamed for the Depression.

A recent study of the federal tax cuts of the 1920s by economists Smiley, of Marquette University, and Keehn, of the University of Wisconsin, Parkside, is a case in point. With World War I over, there was broad agreement that federal income tax rates were too high. In the upper brackets, marginal tax rates (the amount taxed on each additional dollar of income) exceeded 70 percent, and tax avoidance, especially the purchase of tax-exempt government bonds, was common. In 1921, '24, and '26, Washington cut the marginal tax rates dramatically, especially for the rich.

Secretary of the Treasury Andrew Mellon, who served under Presidents Harding, Coolidge, and Hoover, argued that such cuts could keep tax receipts almost the same while shifting more of the overall tax burden to higher-income individuals. Smiley and Keehn say that is what happened. The decrease in tax avoidance, along with economic growth, led to a rise in tax receipts after 1923. The share of all federal income taxes paid by taxpayers with net incomes of $100,000 or more jumped from 35 percent in 1922 to 65 percent seven years later.

Although the consequences of the tax cuts of 1981 and the tax reforms of 1986 remain murky, some essentials seem clear. The 1986 legislation reduced the marginal tax rate for high-income taxpayers from 50 percent to 28 percent. To the surprise of all but supply-side economists, the reported pretax income of these wealthy folk rose rapidly. The top one-half percent of U.S. taxpayers, who received 7.7 percent of all adjusted gross income in 1985, got 9.2 percent in 1986, and 12.1 percent two years later.

Just what sort of change in behavior this reflected remains unclear. Are people working harder because they get to keep more of their pay, as ardent supply-siders would have it? Feldstein, a Harvard economist, says that, as yet at least, there is not much evidence for this proposition—except in the special case of married women. But Feldstein notes that people did clearly respond to the higher capital gains taxes in the 1986 legislation: reported capital gains fell by nearly 40 percent in real terms between 1988 and '92.

The reduced marginal tax rates do appear to have lessened avoidance of the personal income tax. Top earners took less of their pay in fringe benefits and other nontaxable forms, and more in cash. But Slemrod, of the University of Michigan, says that tax return data for 1984 and 1990 show that the biggest part of the increase in the real income of the affluent was the result merely of shifting income from forms subject to higher corporate income taxes to forms (e.g., Subchapter-S corporations) subject to personal income taxes.

The complexity of the economy may well preclude an unequivocal verdict on supply-side arguments, but one thing at least is clear: taxation has little-understood effects on the economy.

SOCIETY

The Small World of Academic History

"Who Killed History? An Academic Autopsy" by William Craig Rice, in *The Virginia Quarterly Review* (Autumn 1995), One West Range, Charlottesville, Va. 22903.

If America is becoming "a nation of historical illiterates," as independent historian David McCullough and others fear, then academic historians deserve much of the blame. So argues Rice, who teaches expository writing at Harvard University.

"Academic historians have followed the trajectory of professionalization so far," he maintains, "that, like poets in creative writing workshops, they now produce more writers than readers, a veritable literature without an audience." Very few of the roughly 2,000 books annually "noted" by the *American Historical Review*, the journal of the 18,000-member American Historical Association, are aimed at the general reader, Rice points out. The tomes tend to be "extraordinarily arcane," "politically trendy," or both (e.g., *Fleeting Opportunities: Women Shipyard Workers in Portland and Vancouver during World War II*).

The books also tend to be poorly written, Rice observes. Academic writing's "flattened verbs, incessant abstractions, disregard for rhythm and sentence balance, expert-oriented asides, and occasional political tendentiousness all serve to drive away a general audience just as surely as they identify the author as one of the elect." Worst of all, he says, most academic historians have abandoned the narrative tradition that runs from Herodotus to Shelby Foote.

In the hundreds of college and university history departments across the land, Rice points out, "a talent for writing for a broad audience is considered secondary at best, a mark of intellectual deficiency at worst." Many academic historians sneer at writers such as David McCullough, William Manchester, and Barbara Tuchman as "nonprofessionals" and mere "popularizers."

The decline of history, Rice contends, is a result of "an unfree intellectual economy within academia, an economy which binds the feet of talented scholars even as it confers advanced degrees, lifelong employment, and subsidized publication." On politically sensitive subjects, the young academics "may be shackled by New Left notions of acceptable lines of inquiry." And in the "closed shop" of academic history, they "are cut off from 'nonprofessionals,' 'amateurs,'